



LOCAL 1551, UAW
624 Avenue G
Fort Madison, Iowa 52627
Phone 372-1525



CONTRACT CHANGES

April, 15, 1992

1)

MEMORANDUM OF UNDERSTANDING
BETWEEN
SHEAFFER INC.
AND
U.A.W. LOCAL 1551

Change Sheaffer Eaton Inc. to Sheaffer Inc. wherever
it occurs in the contract.

The Company and the Union tentatively agree to this wording
change.

For the Company

For the Union

Glenn J. Swart 4/6/92
(Date)
W.F. Way 4/6/92
(Date)

Debra J. Williams 4/6/92
(Date)
Yonda F. Seull 4-6-92
(Date)

MEMORANDUM OF UNDERSTANDING
BETWEEN
SHEAFFER INC.
AND
U.A.W. LOCAL 1551

Article 2 Check Off
Section 2 Cancellation

Delete this section from the contract.

The Company and the Union tentatively agree to this wording change.

FOR THE COMPANY

Glen S. Sweet 4-15-92
(Date)
W. F. Walsh 4-15-92
(Date)

FOR THE UNION

Vonda Seel 4-15-92
(Date)
Vonda Seel 4-15-92
(Date)

MEMORANDUM OF UNDERSTANDING

BETWEEN

SHEAFFER INC.

AND

U.A.W. LOCAL 1551

3)

Article 4. Seniority

Section 1. Probationary Period

All language will stay the same.

Section 2. Layoff and Recall

a. Temporary Layoff:

When management deems a layoff of twenty (20) days or less is necessary, it shall be determined to be a temporary layoff and seniority shall not be considered, except where senior employees can displace junior employees within a department and immediately perform the available work at standard production rates.

When an employee is temporarily laid off they are to be recalled on the shift from which they were temporarily laid off.

Employees desiring to take a voluntary temporary layoff must personally register that desire by signing a posted form in their department between noon on Monday to noon Monday for the following week. Those employees who have signed the voluntary layoff sheet will be considered first, applying the following criteria in listed order.

- 1) Restricted to employee's department.
- 2) By employee's classification.
- 3) Seniority

b. Permanent Layoff

When a permanent reduction in force takes place, the following procedure shall apply:

1. Probationary employees in an affected classification within the department in which a reduction takes place will be laid off first, followed by the next least senior employee in the affected classification within the department until the necessary number of employees have been removed.

2. Employees who have attained seniority and are being laid off from the classification, except those skilled trades employees as listed in Appendix A, will be placed in the following manner:
 - a. Employees in Rate Group 4 (inclusive) and above will first displace the junior employee within the employee's classification in the same rate group within the department until successful.
 - b. If the employee is unsuccessful in (a), the employees in Rate Group 4 (inclusive) and above will then displace the junior employee in any classification within the department in the same rate group provided the employee has the skill and ability, as defined in Article 4, Section 2, 2(g)2 to perform the work.
 - c. If unsuccessful in (a) and (b), the employees in Rate Group 4 (inclusive) and above will then displace the junior employee in the most previously and permanently held classification in the same rate group outside the department until successful.
 - d. If unsuccessful in (a), (b,) and (c), the employees in Rate Group 4 (inclusive) and above will then displace the junior employee within the employee's classification in the same rate group outside the department until successful.
 - e. If none of the foregoing is possible then the employee will be downgraded to the next lower rate group following the exact same procedures described in (a),(b),(c) and (d) above until successful. For employee's in individual classifications who have been unsuccessful in the above they will be allowed to displace the junior employee within the employee's classification in the next lower rate group first inside the department then outside the department until successful.
 - f. For those employees who have not been successful within the previous downgrading procedure or those junior employees laid off from the classification in Rate Group 3, the employees will displace the junior employee in the plant provided the employee has the skill and ability as defined in Article 4, Section 2, 2(g)2.

If the downgraded employee cannot perform the junior employee's position, the downgraded employee can displace the next least senior employee provided the employee has the skill and ability as defined in Article 4, Section 2, 2(g)2, until their seniority is exhausted.

When as a result of the above downgrading procedure a senior employee is going to be laid off out of the plant the following will apply.

- 1) A joint company and union committee made up of two (2) members of management and two (2) members of the union will be formed.
- 2) A skill level list previously agreed to by the company and the union placing all jobs in skill level one, (up to 5 days of training), skill level two, (up to 15 days of training), and skill level three, (over 15 days of training), will be maintained by the joint committee. If significant changes in a job occurs the company may be required to change the list. If the company makes these changes without the union committee members agreement the changes are subject to the grievance procedure.
- 3) The committee will meet to first determine if the senior employee has the skills and ability to perform the junior employee's job in skill level two. If the committee cannot mutually agree that the above is possible they will make up a list of employees that are in skill level one. The committee will determine their selections based on the most senior employees who best possess the skills and ability to perform the job of the junior employee in skill level two.

It is the employee's responsibility to update their employment record on forms provided by the company and to keep current any new skills and ability.

- 4) The employees on the list will be given the choice in seniority order to displace the junior employee in skill level two. If no employees elect to take the move the junior employee on the list must take the position. This will be treated as a bid and all bidding restrictions will apply. The senior employee who was going to be laid off out of the plant will then take the open position created by the above move.
- 5) The above procedure does not apply to skill level three.

- g.1. In the cases cited in paragraphs 2(c) and 2(d), the employee must have successfully held the classification for a minimum of twenty (20) consecutive working days. This twenty (20) days shall not be interrupted by a temporary layoff. In no case shall a junior employee replace a more senior employee nor shall an employee bump above their current rate group in the downgrading procedure, except as specified under Section 2(f)4. "Previously and Permanently Held" shall mean jobs held within that classification within the last fifteen (15) years.

- g.2. All of the following criteria, if applicable, must be met for an employee to possess the skill and ability to perform the work.
 - 1) Adaptability
 - 2) Education and Training
 - 3) Work Performance-Quality
 - 4) Work Performance-Quantity
 - 5) Previous Experience
 - 6) Ability - Mechanical
 - 7) Ability - Physical

- 3. In the case of employees on progressive jobs, the least senior employee in the lowest rate group left in the progression shall be laid off first followed by the next least senior, etc., until the necessary number of employees in that progressive job in that department have been removed.

Set-up operators laid off from their classification will follow the described procedures in Section 2(a) through 2(f) through the Rate Group 5 level, at which time they will then displace the junior operator in the lowest entry level set up progression in training in the plant. If unsuccessful, they shall continue in the downgrading procedure.

c. Recall:

Those employees laid off from the bargaining unit and those employees removed from their classification within a department through downgrading will be given consideration for recall in accordance with our Increase in Force paragraph, Article 4, Section 3, whenever a classification vacancy occurs for which the employee is eligible for recall. Whenever an employee refuses to accept recall to a classification within a department the employee forfeits all recall rights to that classification within that department except through a subsequent downgrading procedure.

Section 3. Increase in Force

When a vacancy occurs, it will be filled in the following manner:

1. Shift Preference forms will be reviewed. Employees actively employed in that classification will be placed by preference and seniority.
2. In the event there are actively employed people within the L.P.O. classification in Rate Group 3 who are laid off or bumped, and who have voluntarily submitted a Department Classification Recall Card to return to that classification in that department, the last senior permanently assigned employee in that department within the same rate group will be offered a position.
3. Next, the Company will recall in seniority order those active employees who were involuntarily laid off or bumped from that classification.
4. The vacancy will be posted plant-wide and integrated with plant-wide advance bids.
5. Employees on layoff outside the plant will be recalled.
6. Hire from outside the plant.

Each of the above steps will be followed in order until the vacancy is filled.

- a. Department Classification Recall
Any employee laid off or bumped from their L.P.O. classification in Rate Group 3 is eligible and responsible to submit a Department Classification Recall Card, which entitles such employee to recall rights as Specified in Article 4, Section 3 - Increase in Force.

b. Job Posting

In the event a vacancy occurs to which no employee has a right of recall, the following will apply:

- 1. The Company shall post plant-wide those vacancies for one (1) day in order that employees may apply for those vacancies. Saturdays, Sundays, holidays, inventory periods, and plant shutdown days shall not be counted.
- 2. Eligible employees within the bargaining unit may apply for the vacancies by signing the plant-wide postings or submitting plant-wide advance bids.
- 3. The company will fill vacancies from among the bidders, providing they have the qualifications considering the following:
 - a. Seniority
 - b. Physical ability
 - c. Demonstrated ability and efficiency.
 - d. Previous satisfactory experience within the classification as shown on the employee's permanent employment record. Where (b), (c) and (d) are relatively equal, (a) shall govern.

REST OF LANGUAGE UNDER ARTICLE 4, SECTION 3 REMAINS THE SAME EXCEPT FOR PARAGRAPH 7.

- 7. Once a plant-wide posting is made, it will be used as a valid source of bidders to fill those classification vacancy requirements as they may arise for a period not to exceed twenty-five (25) working days and bidders whose bidding restrictions will expire during this twenty-five (25) day period may sign the bid sheet and will be considered when their restrictions expire.

Section 4. Temporary Vacancies

The Company will fill vacancies temporarily during the trial period of an employee, vacancies created by vacation, temporary business increases, leaves of absence of three (3) months or less, or absenteeism without posting such vacancies.

Employees filling temporary vacancies because of leaves of absence, in rate groups six (6) and above, cannot be bumped for three (3) months while on the temporary assignment.

When the company elects to fill a temporary vacancy, because of a leave of absence, by the bidding procedure, the following goes into effect.

- (1) If a senior person bids on the job and the employee on a medical leave does not come back within ninety (90) days the senior person will stay on the job.
- (2) If the employee on medical leave returns within ninety (90) days then the employee who filled the job will go through the downgrading procedure and will not go back to the job they vacated.

REST OF ARTICLE 4 REMAINS THE SAME.

The Company and the Union tentatively agree to this wording change.

FOR THE COMPANY

FOR THE UNION

Glen J. Sweet 4-15-92
(Date)

(Date)

W. F. Wal 4-15-92
(Date)

Vonda Scull 4-15-92
(Date)

MEMORANDUM OF UNDERSTANDING

BETWEEN

SHEAFFER INC.

AND

U.A.W. LOCAL 1551

Article 4 Seniority
Section 2 Layoff and Recall
(3) Second paragraph

Set-up operators laid off from their classification will follow the described procedures in Section 2(a) through 2(f) through the rate group 5 level, at which time they will displace the junior operator in the lowest entry level set-up progression in training in the plant.

The Company and the Union tentatively agree to this wording change.

FOR THE COMPANY

FOR THE UNION

Glen Stewart 4-15-92
(Date)
W. F. Wab 4-15-92
(Date)

(Date)
Vonda Scull 4-15-92
(Date)

MEMORANDUM OF UNDERSTANDING

BETWEEN

SHEAFFER INC.

AND

U.A.W. LOCAL 1551

Article 4 Seniority

Section 3 Increase in Force

7. Once a plant-wide posting is made, it will be used as a valid source of bidders to fill those classification vacancy requirements as they may arise for a period not to exceed twenty-five (25) working days and bidders whose bidding restrictions will expire during this twenty-five (25) day period may sign the bid sheet and will be considered when their restrictions expire.

The Company and the Union tentatively agree to this wording change.

For the Company

Glenn V. Sweet 4/7/92
(Date)

W.F. Web 4/7/92
(Date)

For the Union

Dennis J. Williams 4/7/92
(Date)

Vonda J. Scott 4-7-92
(Date)

MEMORANDUM OF UNDERSTANDING

BETWEEN

SHEAFFER INC.

AND

U.A.W. LOCAL 1551

Article 5

Work Week

Section 1. Normal Work Week

The normal work week will begin at 12:00 A.M. on Monday morning and end at 12:00 A.M. the following Monday. The normal work week will consist of five (5) eight (8) hour days. An employee's scheduled starting time on the first day of the employee's normal work week establishes the work day and work week for computation of pay.

The above does not apply to continuous shift operations where the pay week begins on Monday at 7:00 A.M. and ends the following Monday at 7:00 A.M. Continuous shift operations are: Night shift scheduled hours are 7:00 P.M. to 7:00 A.M. and day shift scheduled hours are 7:00 A.M. to 7:00 P.M.

The company will not use the 12 hour continuous shift for normal operations and if capacity constraints require it's use, it will be discussed with the union prior to implementation.

The work week and the work day will prevail in the matter of premium pay. The work day is the twenty-four hour cycle beginning at the start of the employee's work week.

a. For employee's working three (3) shifts five (5) days a week (not continuous shift operations). Third shift employees will be normally scheduled as follows:

1. Third shift employees will normally work 11:00 p.m. to 7:00 a.m. daily starting their normal work week on Sunday at 11:00 p.m., and ending on Friday at 7:00 a.m.
2. Third shift employees as in (1) above will be paid Saturday premium (time and one-half) for all hours worked after 11:00 p.m., Friday and Sunday premium (double time) for all hours worked after 11:00 p.m. Saturday. They will not be paid double time after 11:00 p.m. Sunday.

Section 2. Daily Premium

Time and one-half will be paid for all hours worked over eight (8) in a twenty-four (24) hour period except for those employees working continuous shift operations. Employees on continuous shift operations will be paid time and one-half for all hours worked over twelve (12) in a twenty four (24) hour period.

Section 3. (Same as Current Contract)

Section 4. Saturday Premium

Time and one-half will be paid for all hours worked Saturday for all employees, except those scheduled on continuous shift operations. Employees scheduled on continuous shift operations will be paid time and one-half for the sixth day worked in the pay week.

Section 5. Sunday Premium

Double time will be paid for all hours worked Sunday for all employees, except those scheduled on continuous shift operations. Employees scheduled on continuous shift operations will be paid double time for the seventh day worked in the pay week.

Sections 6 through 9. (Same as Current Contract)

Modify other Articles:

Article 5, Section 10. Paid Lunch - A thirty (30) minute paid lunch will be granted for employees on continuous shift operations.

Article 16, Section 3, Continuous Shift A fifteen (15) minute paid rest period, the time of which is established by the Company, will be granted during the first half and the second half of each shift for those employees on continuous shift operations.

The Company and the Union tentatively agree to this wording change.

FOR THE COMPANY

FOR THE UNION

Glen J. Swartz 4-15-92
(Date)
W.F. Walsh 4-15-92
(Date)

Vonda Sull 4-15-92
(Date)

MEMORANDUM OF UNDERSTANDING
BETWEEN
SHEAFFER INC.
AND
U.A.W. LOCAL 1551

Article 10 Vacations
Section 11 Minimum Limit

Vacation hours may be taken in units of two (2) hours
with the prior approval of the company.

The Company and the Union tentatively agree to this wording
change.

FOR THE COMPANY

Glen Stewart 4/7/92
(Date)
W. F. Way 4/7/92
(Date)

FOR THE UNION

Dennis J. Williams 4/7/92
(Date)
Vonda F. Seull 4-7-92
(Date)

MEMORANDUM OF UNDERSTANDING

BETWEEN

SHEAFFER INC.

AND

U.A.W. LOCAL 1551

Article 12 Temporary Transfer

Section 3 Previously Held Jobs

When an employee, whether they are working within the department or not, is temporarily transferred to a previously held job (within the current contract period) they shall receive their rate of pay that they were receiving when they held the job plus any increases they would have received had they stayed on that job.

Section 3 becomes Section 4

Section 4 becomes Section 5

Section 5 becomes Section 6

The Company and the Union tentatively agree to this wording change.

FOR THE COMPANY

FOR THE UNION

Glenn S. Swartz 4/7/92
(Date)
W.F. Way 4/7/92
(Date)

Jimmie D. Williams 4-7-92
(Date)
Vonda J. Scull 4-7-92
(Date)

MEMORANDUM OF UNDERSTANDING
BETWEEN
SHEAFFER INC.
AND
U.A.W. LOCAL 1551

Article 14 - Grievance and Arbitration Procedure

Section 1

Both the Company and the Union recognize that it is to our mutual benefit to have good communications between an employee and their immediate supervisor. With this in mind it is understood that employees should first discuss complaints with their immediate supervisor, with the goal of both parties, to settle the complaint.

In the event that the dispute cannot be settled in the above manner or it is of a policy nature the dispute will be resolved using the following procedure.

Section 2 Definition

Grievances of a general nature and involving matters which are outside the jurisdiction of the supervisor, will be known as policy grievances and shall be presented in step 3.

Step 1

For grievances of a non-policy nature, the grieved employee, with the employee's steward, shall put the grievance in

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writing, specifying the Article and Section (or Articles and Sections) of this agreement allegedly violated, and requesting the relief sought, signed and presented to the employee's immediate supervisor. After the grievance is received the supervisor shall meet with the grieved employee and the steward as soon as possible, to resolve the grievance. If the matter requires investigation and/or consultation, the supervisor has three (3) regular working days, in which to have the meeting and give the written answer to the employee and the steward. Any settlement made between the immediate supervisor, employee and steward shall not be considered to establish precedent.

Step 2

If the grieved employee and/or their steward are dissatisfied with the immediate supervisors answer in Step 1, the Union Bargaining Committee's area representative may within three (3) regular working days, after the receipt of the immediate supervisor's answer, appeal the grievance to the department head or managing supervisor. The appeal shall be in writing. The department head or managing supervisor shall meet with the immediate supervisor, Union Bargaining Committee's Area Representative, grieved employee and steward within three (3) regular working days. The department manager or managing supervisor shall give his written answer to the bargaining unit representative within three (3) regular working days after the Step 2 meeting. Any settlement made at second step shall not be considered to establish precedent.

If the Union is dissatisfied with the answer at step 2, it may appeal the grievance in writing within five (5) regular working days, after receipt of the second step answer, to the Labor Relations Manager.

Step 3

Grievances appealed to the Labor Relations Manager shall be discussed at a meeting arranged by the Labor Relations Manager and the Chairman of the grievance committee within five (5) regular working days after the appeal is received by the Labor Relations Manager. The members of the local Union's grievance committee, the Labor Relations Manager and the appropriate functional manager may attend the third step meeting. If the meeting is held during regular scheduled working hours, up to three (3) members of the Union grievance committee shall receive their regular straight time rate of pay for any time lost.

Grievances appealed to Step 3 and settled in the above designated meeting shall have said settlement reduced in writing, be signed by the Labor Relations Manager and the Local Union Bargaining Committee Chairperson or their designees within five (5) working days from date of the meeting.

Grievances appealed to Step 3 and not settled in the above designated meeting shall have the company's position on said grievance put in writing, be signed by the Labor Relations

Manager or his designee and given to the Union within five (5) working days from date of the meeting.

If the Union is dissatisfied with the Company's answer the local Union Bargaining Committee Chairperson will notify the Labor Relations Manager in writing within ten (10) regular working days, after the Union receives the third step answer, that the grievance is appealed to arbitration. At this point the parties shall jointly request a list containing seven (7) arbitrators from the Federal Mediation and Conciliation Service.

Step 4

At a mutual agreed on date and time, but no more than thirty (30) regular working days after the panel is received, the International Representative, Labor Relations Manager, Human Resource Manager, Local Union President and the Chairman of the grievance committee and upon request an additional representative as needed shall meet to discuss the grievance or grievances. If no settlement is reached the Union and the Company will strike names alternately from the list until only one remains. The party to strike first will be alternated. The remaining name will be the arbitrator. The selection shall be sent back to the Federal Mediation and Conciliation service within two (2) regular working days of the Step 4 meeting.

It is agreed that should the list of arbitrators from the Federal Mediation and Conciliation Service contain the name of any arbitrator who has, during the past five (5) years, been employed by or under hire as consultant to either the Company or the Union, except as and in the capacity of an arbitrator, a new list excluding the name of said arbitrator shall be jointly requested.

Section 3. Time Limits

No grievance will be considered unless the grievance is filed within three (3) regular working days from the date on which the act or condition complained of last occurred, and is known by the grievant.

A grievance on a discharge or disciplinary suspension must be filed within three (3) regular working days after the discharge or disciplinary suspension. Grievances involving the termination of seniority, discharge or suspension shall advance directly to Step 3 of the grievance procedure.

Grievances must be appealed within the time limits established within each step of the above procedure or they shall be considered settled on the basis of the last answer. Grievances not answered by the Company within the time limits specified shall automatically be appealed to the next step of the grievance procedure in the same manner as though the answer had been received and the Union was dissatisfied therewith.

Notices of termination of seniority, discharge or suspension and written disciplinary warnings shall be sent to the employee, the Union Stewards and the Union President.

REST OF LANGUAGE OF ARTICLE 14 REMAINS THE SAME.

The Company and the Union tentatively agree to this wording change.

For the Company

Glean J. Swartz 4/6/92
(Date)

W. F. Wah 4/6/92
(Date)

For the Union

Donnis S. Williams 4/6/92
(Date)

Vonda F. Scull 4/6/92
(Date)

MEMORANDUM OF UNDERSTANDING

BETWEEN

SHEAFFER INC.

AND

U.A.W. LOCAL 1551

Article 17 Leaves of Absence

Section 8 Affairs of Government

For the purpose of allowing employees to participate in the affairs of government, the Company shall grant, upon application, leaves of absence to employees who are elected to full time municipal, county, state or federal government positions, or appointed to full-time positions with the state or federal government. The leave to fulfill such government office shall not exceed two (2) terms or six (6) years.

The Company and the Union tentatively agree to this wording change.

FOR THE COMPANY

Glenn J. Sweet 4-15-92
 (Date)
W. F. Walsh 4-15-92
 (Date)

FOR THE UNION

 (Date)
Vonda Sull 4-15-92
 (Date)

MEMORANDUM OF UNDERSTANDING

BETWEEN

SHEAFFER INC.

AND

U.A.W. LOCAL 1551

The Company and the Union agree to move all contract language pertaining only to skilled trades to a new Article 31 which will cover the following:

- 1) Joint Apprenticeship Training Program
- 2) Permanent layoff and recall of skilled trades.
- 3) Skilled Trades Overtime method of pay and assignment.
- 4) Increase in Force
- 5) Temporary Transfer
- 6) Tool replacement
- 7) Miscellaneous
- 8) Appendix A

The Company and the Union tentatively agree to this wording change.

FOR THE COMPANY

FOR THE UNION

Glen J. Swartz 4-15-92
 (Date)
W.F. Walsh 4-15-92
 (Date)

 (Date)
Vonda Scull 4-15-92
 (Date)

MEMORANDUM OF UNDERSTANDING

BETWEEN

SHEAFFER INC.

AND

U.A.W. LOCAL 1551

Equalization of Overtime

Equalization of Overtime based on a 24 hour spread on a three (3) month basis will become part of the Skilled Trades overtime section and will replace the overtime assignment sections pertaining to Skilled Trades. Exact language to be worked out between the Skilled Trades Representative, International Business Agents and the Labor Relations Manager as soon as possible after ratification.

The Company and the Union tentatively agree to this wording change.

FOR THE COMPANY

Glenn J. Swart 4-15-92
(Date)

W.F. Wah 4/15/92
(Date)

FOR THE UNION

Vonda Seidl 4-15-92
(Date)

MEMORANDUM OF UNDERSTANDING
BETWEEN
SHEAFFER INC.
AND
U.A.W. LOCAL 1551

APPENDIX A
SKILLED TRADES

- 1) TOOL AND DIE MAKER
- 2) MODEL MAKER
- 3) ELECTRICIANS
- 4) MAINTENANCE MECHANIC AA
- * 5) HVAC SPECIALIST
- 6) HARD CHROME PLATER AND HEAT TREATER
- 7) GAUGE, TOOL AND PRODUCT INSPECTOR
- 8) TOOL SHARPENER
- 9) TOOL AND DIE APPRENTICE
- 10) SHIFT MAINTENANCE

* NEW CLASSIFICATION TO BE POSTED AND BID.

The Company and the Union tentatively agree to this wording
chane.

FOR THE COMPANY

FOR THE UNION

Glen V. Sweet 4-15-92
 (Date)
W. F. Walsh 4-15-92
 (Date)

Vonda Sault 4-15-92
 (Date)

MEMORANDUM OF UNDERSTANDING

BETWEEN

SHEAFFER INC.

AND

U.A.W. LOCAL 1551

- 1) Red circle letter of agreement to remain in effect during the life of this contract using present language.
- 2) Transfers out of bargaining unit (grandfather) letter of agreement will be deleted from this contract.
- 3) Gainsharing/Profit Sharing letter of agreement to remain in effect during the life of this contract.
- 4) Alliance Select letter of agreement will be deleted from this contract as the benefits set forth in this letter are now considered to be part of this contract.
- 5) The Company and the Union agree that if and when the company brings the Canadian AIS Manufacturing jobs, estimated at between six (6) and ten (10) to the Ft. Madison operation the Company may contract out the office Housekeeping and Groundskeeping functions.

The Company and the Union tentatively agree to this wording change.

FOR THE COMPANY

Glenn L. Sweet 4-15-92
 (Date)
W. F. Walsh 4-15-92
 (Date)

FOR THE UNION

 (Date)
Vanda Soull 4-15-92
 (Date)

MEMORANDUM OF UNDERSTANDING

BETWEEN

SHEAFFER INC.

AND

U.A.W. LOCAL 1551

	<u>Yr. 1</u>	<u>Yr. 2</u>	<u>Yr. 3</u>
G.W.I.	-0-	2%	3%
Shift Premium	2nd \$0.17 3rd \$0.25	\$0.17 \$0.25	\$0.20 \$0.28
Life Insurance	\$12,000	\$12,000	\$12,500
S & A	\$135	\$135	\$135
Ret. Ins.	\$2,750	\$2,750	\$3,000
Pension	\$14.50	\$15.00	\$15.50
Med'l. Ins. -	Single \$3.66/wk	\$4.21/wk	12%
Empl's. Cont.	Family \$7.32/wk	\$8.42/wk	12%
Sign on Bonus Payable in two Installments (4/24 & 7/24)	\$400 for emp. in plant on 4/15/92	-0-	-0-

Vision Plan -0- -0- -0-

If this coverage is provided at any time for the life of this contract for salaried employees it will be provided to hourly employees as part of their medical insurance coverage and the appropriate employee contribution will apply.

A.D. & D. and T.P.D. will increase with life insurance improvement.

This offer constitutes all of the agreed upon language proposals by both parties (attached). This agreement, subject to ratification acceptance will remain in effect through April 7, 1995.

FOR THE COMPANY

FOR THE UNION

Glenn Swartz 4/15/92
 (Date)
W.F. Walsh 4/15/92
 (Date)

Vonda Sull 4-15-92
 (Date)
 (Date)

HERITAGE NATIONAL HEALTHPLAN

VALUE ANALYSIS

SHEAFFER INC.

DESCRIPTION OF BENEFIT	HERITAGE NATIONAL HEALTHPLAN Medium Waive Option	SHEAFFER INC. BC/BS Alliance Select
Office Visits		
Assume 7 per year at \$28.00 each	\$ 35.00	\$ 19.60
Well Physical Exam		
Assume 1 per year at \$90.00 each	\$ 5.00	\$ 90.00
Pre-Natal Visits and Delivery		
Assume: Physician charges \$1,500.00	\$ 0.00	\$ 150.00
Hospital charges \$2,000.00	\$ 0.00	\$ 200.00
7 Well Newborn Visits		
Assume 7 visits per year at \$28.00	\$ 35.00	\$ 196.00
Immunizations and Injections		
Assume 4 per year at \$15.00 each	\$ 0.00	\$ 60.00
Outpatient Surgery		
Assume: Physician charges \$500.00	\$ 0.00	\$ 50.00
Hospital charges \$700.00	\$ 0.00	\$ 70.00
Inpatient Surgery		
Assume: Physician charges \$800.00	\$ 0.00	\$ 80.00
Hospital charges \$2,250.00	\$ 0.00	\$ 225.00
Lab and X-ray		
Assume 3 per year at \$20.00 each	\$ 0.00	\$ 6.00
Total Out of Pocket Expense:	\$ 75.00	\$ 1,146.60
Add Deductible:	\$ 0.00	\$ 200.00
Total Expense by Employee:	\$ 75.00	\$ 500.00

**BENEFIT COMPARISON
SHEAFFER INC.**

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BENEFIT DESCRIPTION	SHEAFFER INC. ALLIANCE SELECT	HERITAGE NATIONAL HEALTHPLAN
PRE-EXISTING CONDITIONS:	No pre-existing limitations	No pre-existing limitations
DEDUCTIBLES:	\$100.00/Single \$200.00/Family	No deductibles No deductibles
OUT-OF-POCKET MAXIMUMS:	\$ 500.00/Single \$1,000.00/Family	\$ 500.00/Single \$1,000.00/Family
LIFE TIME MAXIMUMS:	\$1,000,000.00	Unlimited

BENEFIT COMPARISON SHEAFFER INC.

BENEFIT DESCRIPTION	SHEAFFER INC. ALLIANCE SELECT	HERITAGE NATIONAL HEALTHPLAN
HOSPITAL BENEFITS:		
Inpatient admission precertified	90% after deductible	Paid in Full
Inpatient admission not precertified	50% after deductible	Paid in Full
Semi-Private Room	90% after deductible	Paid in Full
Private Room	90% of semi-private rate after deductible	Paid in full if medically necessary
Intensive Care Unit	90% after deductible	Paid in Full
Anesthesia	90% after deductible	Paid in Full
Physician's Hospital Visits	90% after deductible	Paid in Full
PHYSICIAN SURGICAL BENEFITS:		
In-patient surgery precertified	90% after deductible	Paid in Full
In-patient surgery not precertified	50% after deductible	Paid in Full
Out-patient surgery precertified	90% after deductible	Paid in Full
Out-patient surgery not precertified	50% after deductible	
Second surgical Opinion	Paid in Full Mandatory for certain procedures to receive full plan benefits	Paid in Full Not Mandatory
MATERNITY CARE:		
Hospital Charges	90% after deductible	Paid in Full
Physician's Charges (Delivery)	90% after deductible	Paid in Full
Pre & Post Natal Care	90% no deductible	Paid in Full
Nursery Care and Related Services	90% after deductible	Paid in Full